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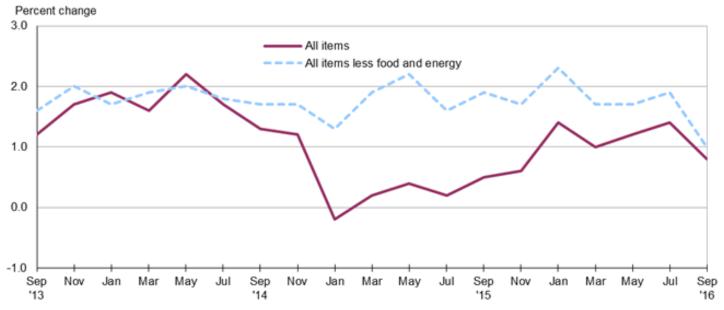
Incorrect prices for prescription drugs were used for the CPI-U and CPI-W indexes from May through August 2016 in a number of areas. Several indexes were affected, including the all items and medical care indexes. A list of the series affected can be found at www.bls.gov/bls/errata/cpi-price-corrections-10182016.htm, and the corrected data are available in the CPI database (www.bls.gov/cpi/data.htm).

# Consumer Price Index, Washington-Baltimore – September 2016 Area prices down 0.1 percent since July and up 0.8 percent over the year

The Consumer Price Index for All Urban Consumers (CPI-U) for Washington-Baltimore decreased 0.1 percent over the last two months, the U.S. Bureau of Labor Statistics reported today. Regional Commissioner Sheila Watkins noted the decline was led by a 1.1-percent decrease in the energy index, and the food index inched down 0.1 percent. The all items less food and energy index was unchanged over the last two months. (Data in this report are not seasonally adjusted. Accordingly, month-to-month changes may reflect the impact of seasonal influences.)

Over the last 12 months, the CPI-U increased 0.8 percent, due mostly to a 1.0-percent rise in the all items less food and energy index. (See chart 1 and table A.) Since September 2015, the food index inched up 0.1 percent, while the energy index edged down 0.2 percent. (See table 1.)

Chart 1. Over-the-year percent change in CPI-U, Washington, D.C., September 2013-September 2016



Source: U.S. Bureau of Labor Statistics.

## **Food**

After increasing 0.2 percent from May to July, the food index inched down 0.1 percent over the last two months. Prices for food at home decreased 0.3 percent, while those for food away from home were unchanged. Lower prices for apples and pork chops contributed to the two-month decrease in the food at home index.

Food prices inched up 0.1 percent over the year due to higher prices for food away from home (2.5 percent). Conversely, prices for food at home declined 2.0 percent since last September.

## **Energy**

Since July, the energy index, which includes prices for household and transportation fuels, declined 1.1 percent due to lower prices for both utility (piped) gas service (-8.9 percent) and gasoline (-1.1 percent). Prices for electricity increased over the last two months, up 0.5 percent.

Energy prices edged down 0.2 percent over the year, due to a 3.7-percent drop in gasoline prices. Prices increased for both electricity (2.9 percent) and utility (piped) gas service (3.6 percent) since last September.

## All items less food and energy

The index for all items less food and energy was unchanged since July. A seasonal increase in apparel prices (9.0 percent) and higher prices for medical care (0.5 percent) were offset by declines in prices for recreation (-3.7 percent) and new and used motor vehicles, among others.

Since September 2015, the index for all items less food and energy rose 1.0 percent. The increase was due largely to an over-the-year rise in shelter prices (2.0 percent). Higher prices for apparel (10.8 percent), among others, also contributed to the rise.

Table A. Washington, D.C. CPI-U 2-month and 12-month percent changes, all items index, not seasonally adjusted

Month	2012		2013		2014		2015		2016	
	2-month	12- month								
January	0.4	2.7	0.1	1.8	0.4	1.9	-1.0	-0.2	-0.2	1.4
March	1.3	2.8	0.9	1.4	0.6	1.6	1.0	0.2	0.6	1.0
May	0.1	1.8	-0.2	1.2	0.4	2.2	0.6	0.4	0.8	1.2
July	-0.2	1.4	0.5	1.9	0.0	1.7	-0.2	0.2	-0.1	1.4
September	1.3	2.8	0.6	1.2	0.2	1.3	0.5	0.5	-0.1	0.8
November	-0.7	2.1	-0.2	1.7	-0.4	1.2	-0.3	0.6		

The Consumer Price Index for October 2016 is scheduled to be released on Thursday, November 17, 2016, at 8:30 a.m. (EDT).

## **Technical Note**

The Consumer Price Index for Washington-Baltimore is published bi-monthly. The Consumer Price Index (CPI) is a measure of the average change in prices over time in a fixed market basket of goods and services. The Bureau of Labor Statistics publishes CPIs for two population groups: (1) a CPI for All Urban Consumers (CPI-U) which covers approximately 89 percent of the total population and (2) a CPI for Urban Wage Earners and Clerical Workers (CPI-W) which covers approximately 28 percent of the total population. The CPI-U

includes, in addition to wage earners and clerical workers, groups such as professional, managerial, and technical workers, the self-employed, short-term workers, the unemployed, and retirees and others not in the labor force.

The CPI is based on prices of food, clothing, shelter, and fuels, transportation fares, charges for doctors' and dentists' services, drugs, and the other goods and services that people buy for day-to-day living. Each month, prices are collected in 87 urban areas across the country from about 4,000 housing units and approximately 26,000 retail establishments--department stores, supermarkets, hospitals, filling stations, and other types of stores and service establishments. All taxes directly associated with the purchase and use of items are included in the index.

The index measures price changes from a designated reference date (1982-84) that equals 100.0. An increase of 16.5 percent, for example, is shown as 116.5. This change can also be expressed in dollars as follows: the price of a base period "market basket" of goods and services in the CPI has risen from \$10 in 1982-84 to \$11.65. For further details see the CPI home page on the Internet at www.bls.gov/cpi and the BLS Handbook of Methods, Chapter 17, The Consumer Price Index, available on the Internet at www.bls.gov/opub/hom/pdf/homch17.pdf.

In calculating the index, price changes for the various items in each location are averaged together with weights that represent their importance in the spending of the appropriate population group. Local data are then combined to obtain a U.S. city average. Because the sample size of a local area is smaller, the local area index is subject to substantially more sampling and other measurement error than the national index. In addition, local indexes are not adjusted for seasonal influences. As a result, local area indexes show greater volatility than the national index, although their long-term trends are quite similar. **Note: Area indexes do not measure differences in the level of prices between cities; they only measure the average change in prices for each area since the base period.** 

The Washington-Baltimore, D.C.-Md.-Va.-W.Va., Consolidated Metropolitan Statistical Area includes the District of Columbia; Baltimore City and the counties of Anne Arundel, Baltimore, Calvert, Carroll, Charles, Frederick, Harford, Howard, Montgomery, Prince George's, Queen Anne's, and Washington in Maryland; the cities of Alexandria, Fairfax, Falls Church, Fredericksburg, Manassas, and Manassas Park and the counties of Arlington, Clarke, Culpeper, Fairfax, Fauquier, King George, Loudoun, Prince William, Spotsylvania, Stafford, and Warren in Virginia; and the counties of Berkeley and Jefferson in West Virginia.

Information in this release will be made available to sensory impaired individuals upon request. Voice phone: (202) 691-5200; Federal Relay Service: (800) 877-8339.

Table 1. Consumer Price Index for All Urban Consumers (CPI-U): Indexes and percent changes for selected periods, Washington-Baltimore, D.C.-Md.-Va.-W.Va., (December 1997=100 unless otherwise noted) (not seasonally adjusted)

	Aug. 2016	Sep.			
Food and beverages (1)		2016	Sep. 2015	Jul. 2016	Aug. 2016
Food at home Food away from home (2) Alcoholic beverages (2) Housing (1) Shelter Owners' equivalent rent of residences (3) (4) Fuels and utilities Gas (piped) and electricity (3) Utility (piped) gas service (3) Household furnishings and operations Apparel (1) Apparel (1) Gasoline (all types) Gasoline (all types) Gasoline (all types) Gasoline (all types) Apparel (1) Apparel (1		157.572	0.8	<sup>(r)</sup> -0.1	
Food at home Food away from home (2) Alcoholic beverages (2) Housing (1) Shelter Owners' equivalent rent of residences (3) (4) Fuels and utilities Gas (piped) and electricity (3) Utility (piped) gas service (3) Household furnishings and operations Apparel (1) Apparel (1) Fransportation (1) Fried at home Food at home 147.176 170.101 Apparel (2) Apparel (2) Apparel (3) Apparel (3) Apparel (4)  171.568 183.138 183.138 182.552 Apparel (1) Apparel (1) Apparel (1) Apparel (1) Apparel (1) Apparel (1) Apparel (2) Apparel (3) Apparel (4) Apparel (4) Apparel (5) Apparel (5) Apparel (5) Apparel (5) Apparel (1)		156.774	0.1	-0.1	
Food at home		158.209	0.1	-0.1	
Tood away from home (2)	146.354	146.767	-2.0	-0.3	0.3
Alcoholic beverages (2)		170.184	2.5	0.0	
Shelter       183.138         Rent of primary residence (1) (3)       202.104         Owners' equivalent rent of residences (3) (4)       182.552         Owners' equivalent rent of primary residence (3) (4)       182.540         Fuels and utilities       197.167         Household energy       186.476         Gas (piped) and electricity (3)       179.995         Electricity (3)       191.295         Utility (piped) gas service (3)       129.088         Household furnishings and operations       87.139         Apparel (1)       100.039         Transportation (1)       139.239         Private transportation       137.338         Motor fuel       193.561         Gasoline (all types)       193.509         Gasoline, unleaded regular (5)       191.316		136.666	0.3	0.2	
Rent of primary residence (1) (3)		171.416	1.8	-0.1	
Owners' equivalent rent of residences (3) (4)       182.552         Owners' equivalent rent of primary residence (3) (4)       182.540         Fuels and utilities       197.167         Household energy       186.476         Gas (piped) and electricity (3)       179.995         Electricity (3)       191.295         Utility (piped) gas service (3)       129.088         Household furnishings and operations       87.139         Apparel (1)       100.039         Transportation (1)       139.239         Private transportation       137.338         Motor fuel       193.561         Gasoline (all types)       193.509         Gasoline, unleaded regular (5)       191.316	183.268	183.248	2.0	0.1	0.0
(4)       Inc. 332         Owners' equivalent rent of primary residence (3) (4)       Inc. 332         Fuels and utilities       Inc. 340         Household energy       186.476         Gas (piped) and electricity (3)       Inc. 340         Electricity (3)       Inc. 340         Utility (piped) gas service (3)       Inc. 340         Household furnishings and operations       Inc. 340         Apparel (1)       Inc. 340         Inc. 340       Inc. 340 <t< td=""><td>202.480</td><td>202.957</td><td>1.6</td><td>0.4</td><td>0.2</td></t<>	202.480	202.957	1.6	0.4	0.2
residence (3) (4)	182.812	183.127	1.9	0.3	0.2
Household energy	182.799	183.112	1.9	0.3	0.2
Household energy		195.217	3.2	-1.0	
Electricity (3)	183.814	184.166	2.7	-1.2	0.2
Utility (piped) gas service (3)       129.088         Household furnishings and operations       87.139         Apparel (1)       100.039         Transportation (1)       139.239         Private transportation       137.338         Motor fuel       193.561         Gasoline (all types)       193.509         Gasoline, unleaded regular (5)       191.316	177.476	177.633	3.0	-1.3	0.1
Household furnishings and operations	190.741	192.310	2.9	0.5	0.8
Apparel (1)	121.413	117.652	3.6	-8.9	-3.1
Transportation (1)       139.239         Private transportation       137.338         Motor fuel       193.561         Gasoline (all types)       193.509         Gasoline, unleaded regular (5)       191.316		86.746	-2.6	-0.5	
Private transportation       137.338         Motor fuel       193.561         Gasoline (all types)       193.509         Gasoline, unleaded regular (5)       191.316		109.060	10.8	9.0	
Motor fuel       193.561         Gasoline (all types)       193.509         Gasoline, unleaded regular (5)       191.316		138.254	-1.0	-0.7	
Gasoline (all types)       193.509         Gasoline, unleaded regular (5)       191.316		136.632	-0.4	-0.5	
Gasoline, unleaded regular (5)	184.703	191.616	-3.8	-1.0	3.7
	184.548	191.374	-3.7	-1.1	3.7
Gasoline, unleaded midgrade (5) 207.168	182.271	189.246	-4.1	-1.1	3.8
Gasoline, unleaded premium (5) 214.954	199.023 206.503	205.392 212.033	-2.6 -1.5	-0.9 -1.4	3.2 2.7
	206.503				2.1
Medical care (1) (r) 183.667		184.673	1.9	<sup>(r)</sup> 0.5	
Recreation		114.810	-3.4	-3.7	
Education and communication		151.462	-1.4	-0.3	
Other goods and services (1)		179.701	0.2	0.9	
Commodity and service group					
Commodities		125.952	-0.6	(r) 0.4	
Commodities less food and beverages (r) 108.223		108.984	-1.2	(r) 0.7	
Nondurables less food and beverages  Durables		139.551	1.1	<sup>(r)</sup> 2.1	
		78.254	-2.9	-0.8	
Services		178.880	1.5	<sup>(r)</sup> -0.3	
Special aggregate indexes		144 000	0.4	(r) 0 4	
All items less shelter		144.880	0.1	<sup>(r)</sup> -0.1	
All items less medical care (1)		155.843	0.7	-0.1	
Commodities less food		110.305	-1.1	(r) 0.7	
Nondurables		147.771 139.512	0.5 1.2	(r) 0.9 (r) 2.0	

Note: See footnotes at end of table.

Table 1. Consumer Price Index for All Urban Consumers (CPI-U): Indexes and percent changes for selected periods, Washington-Baltimore, D.C.-Md.-Va.-W.Va., (December 1997=100 unless otherwise noted) (not seasonally adjusted) - Continued

- "		Inde	exes	Percent change from			
Expenditure category	Historical data	Jul. 2016	Aug. 2016	Sep. 2016	Sep. 2015	Jul. 2016	Aug. 2016
Services less rent of shelter	W	<sup>(r)</sup> 175.949		174.710	0.9	(r) -0.7	
Services less medical care services	W	178.840		178.173	1.4	-0.4	
Energy (1)	W	189.089	183.852	186.935	-0.2	-1.1	1.7
All items less energy	W	<sup>(r)</sup> 154.428		154.437	0.9	(r) 0.0	
All items less food and energy (1)	M	<sup>(r)</sup> 154.759		154.799	1.0	(r) 0.0	

#### Footnotes

- (1) Indexes on a November 1996=100 base.
- (2) Indexes on a November 1997=100 base.
- (3) This index series was calculated using a Laspeyres estimator. All other item stratum index series were calculated using a geometric means estimator.
- (4) This index series underwent a change in composition in January 2010. The expenditure class now includes weight from secondary residences, and has been re-titled "Owners' equivalent rent of residences." The item stratum "Owners' equivalent rent of primary residence" excludes secondary residences.
- (5) Special index based on a substantially smaller sample.
- (R) Revised

Note: Index applies to a month as a whole, not to any specific date.